

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

NEW HAVEN HOUSING COMMISSION

Financial Statements

March 31, 2006

Audited by

JOHN C. DIPIERO, P.C.

Certified Public Accountant

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NEW HAVEN HOUSING COMMISSION
30100 John Rivers Drive
New Haven, Michigan 48048

This discussion and analysis of the New Haven Housing Commission's financial performance should be read in conjunction with the auditor's opinion letter and the financial statements.

Entity-Wide Statements

The combined financial statements show, in one place, all the Commission's operations. Our statements are prepared on the accrual basis of accounting, which is similar to that used by most businesses. Under this method, all revenues and expenses connected with the fiscal year are taken into account even if the cash involved has not actually been received or paid. The Financial Data Schedule included within the audit report contains all the programs of the Commission.

Fund Statements

The Financial Data Schedule reports the Commission's operations in more detail. The Commission reports all its activities using Proprietary Fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Financial Domestic Assistance (CFDA) numbers.

Entity-Wide Financial Highlights

The Commission was awarded and received the following Federal Assistance:

	<u>Year 2006</u>	<u>Year 2005</u>
Operating Subsidies	\$ 238,480	\$ 260,050
Capital Projects Funds	91,871	93,650

Comparison of the current year to the past and discussion of significant changes as follows:

	<u>Year 2006</u>	<u>Year 2005</u>	<u>Net Change</u>
Cash & cash equivalents	\$ 223,234	\$ 289,456	(66,222)
Accounts Receivable	461	20,768	(20,307)
Prepaid Expenses	12,524	13,100	(576)
Fixed Assets, prior to Depreciation	4,621,727	4,552,825	68,902
Total Liabilities	55,139	69,849	(14,710)
Net Assets	2,709,445	2,865,663	(156,218)

	<u>Year 2006</u>	<u>Year 2005</u>	<u>Net Change</u>
Revenues:			
Tenant Revenues	105,028	99,738	5,290
HUD Grants	330,351	353,700	(23,349)
Other Revenues	12,664	21,855	(9,191)
Expenses:			
Administrative	123,284	121,384	1,900
Tenant Services	4,385		4,385
Utilities	54,908	55,178	(270)
Maintenance & Operations	222,115	200,308	21,807
General Expenses	<u>19,881</u>	<u>29,845</u>	(9,964)
Total Operating Expenses	<u>424,573</u>	<u>406,715</u>	(17,858)
Depreciation Expense	152,734	157,631	(4,897)
Net Change in Net Assets	(156,218)	(89,053)	(67,165)

Our cash position decreased \$66,222 as a result of increasing our fixed assets by \$ 68,902; accounts receivable decreased \$ 20,307- we reduced accounts receivable tenants by an aggressive collection effort and evicting non paying residents, also an account receivable HUD was received during the fiscal year. No change in prepaid expenses; liabilities decreased \$ 14,710, and net assets decreased by the amount of the net loss of \$ 129,264, and an adjustment to fixed assets for a roll forward error.

HUD grants are a result of requisitioning eligible funds. HUD grants received are a result of calculations under the Performance Funding System, and Capital grants authorized and obligated during the year. In 2006 we requisitioned \$ 91,871; \$ 64,800 for operations and the balance was used for repairs explained later in this discussion.

The Commission provided the following housing for low to moderately low income families:

	<u>Year 2006</u>	<u>Year 2005</u>
Low Rent Public Housing	88	88

General Fund Budgetary Highlights

The Commission approved an operating budget on March 16, 2005 for the fiscal year ending March 31, 2006, we had no occasion to amend the budget.

The significant differences between budget and actual are as follows:

	<u>Budget .</u>	<u>Actual .</u>	<u>Over/(Under)</u>
Utilities	74,330	54,908	(19,422)
Maintenance Labor	68,730	85,869	17,139
Maintenance Materials & contract Cost	90,870	115,333	24,463
Insurance	40,700	14,910	(25,790)
Total Operating Profit (Loss)	(127,570)	(129,264)	1,694

Some line items were under/over budget, however, the overall budget was the same as the actual results. During the year, we contracted for more unit repairs therefore our labor cost was lower than budgeted; we changed insurance carriers and had a savings on our annual cost.

Entity Wide Capital Assets

The fixed assets increased \$ 68,902 prior to depreciation. The additions included re-glazing the tub enclosures, replaced entry way doors, and parking lot repairs.

Commission's Position

The Commission plans to use the current Capital Fund Program to replace the maintenance truck, approximately \$ 27,000; install a security camera system for approximately \$ 32,000; and transfer a portion to operations.

We anticipate current funding levels for operations and capital improvements will remain consistent with past years; therefore, the Commission expects to continue to provide safe, sanitary and decent housing for the low and moderately low income families.

Questions or comments concerning this Management Discussion and Analysis may be directed to:

Sabrina Gaddy, Property Supervisor
% Fourmidable
32605 W 12 Mile Road
Farmington Hills, Michigan 48334

John C. DiPiero, P.C.

Certified Public Accountant

P. O. Box 378
Hemlock, Michigan 48626
Tel / Fax (989) 642-2092

Board of Commissioners
New Haven Housing Commission
30100 John Rivers Drive
New Haven, Michigan 48048

Independent Auditor's Report

I have audited the Business Type Activities of the New Haven Housing Commission as of and for the year ended March 31, 2006. These financial statements are the responsibility of the Housing Commission's management. My responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Haven Housing Commission as of March 31, 2001, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as whole.

The Management's Discussion and Analysis and the required supplemental information are not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 15, 2006 on my consideration of the New Haven Housing Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Certified Public Accountant

September 15, 2006

NEW HAVEN HOUSING COMMISSION
Statement of Net Assets
March 31, 2006

ASSETS

C-3218

CURRENT ASSETS

Cash & Cash Equivalents	\$	223,234	
Accounts Receivable (Net of allowance of \$ 1,000)		461	
Prepaid Expenses		<u>12,524</u>	
 Total Current Assets	\$		236,219

NON CURRENT ASSETS

Land	\$	112,710	
Buildings		4,190,919	
Furniture, Equipment- Dwellings		206,323	
Furniture, Equipment- Administrative		111,775	
Accumulated Depreciation		<u>(2,093,362)</u>	
 Total Non Current Assets			<u>2,528,365</u>

<u>TOTAL ASSETS</u>	\$	<u>2,764,584</u>
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NEW HAVEN HOUSING COMMISSION
Statement of Net Assets
March 31, 2006

LIABILITIES

C-3218

CURRENT LIABILITIES

Accounts Payable	\$	5,935	
Accrued Wages & Payroll Taxes		7,386	
Accounts Payable- Other Government		4,425	
Tenants Security Deposit		15,310	
Deferred Revenue		10,358	
Accrued Liabilities-Other		<u>11,725</u>	
<u>TOTAL LIABILITIES</u>	\$		55,139

Net Assets

Investment in Fixed Assets			
net of Related Debt	\$	2,528,365	
Unrestricted Net Assets		<u>181,080</u>	
<u>TOTAL NET ASSETS</u>			<u>2,709,445</u>
<u>TOTAL LIABILITIES & NET ASSETS</u>	\$		<u>2,764,584</u>

The Accompanying Footnotes are an Integral Part of the Financial Statements.

NEW HAVEN HOUSING COMMISSION
Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended March 31, 2006

OPERATING REVENUE

Tenant Rental Revenue	\$	105,028	
HUD Grants		303,276	
Interest Income		4,287	
Other Income		<u>8,377</u>	
<u>Total Operating Revenue</u>	\$		420,968

OPERATING EXPENSES

Administrative	\$	123,284	
Tenant Services		4,385	
Utility Expenses		54,908	
Ordinary Maintenance		222,115	
General Expenses		<u>19,881</u>	
<u>Total Operating Expenses</u>			<u>424,573</u>
<u>Operating Income (Loss)</u>	\$		(3,605)

NONOPERATING REVENUE (EXPENSES)

Depreciation Expenses	\$	<u>(152,734)</u>	
<u>Total NonOperating Revenue (Expenses)</u>			<u>(152,734)</u>
<u>Income (Loss) before Contributions</u>	\$		(156,339)

CAPITAL CONTRIBUTIONS

			<u>27,075</u>
<u>Changes in Net Assets</u>	\$		(129,264)
Total Net Assets- Beginning	\$	2,865,663	
Roll forward error in fixed assets		<u>(26,954)</u>	<u>2,838,709</u>
 Total Net Assets- Ending	\$		<u>2,709,445</u>

The Accompanying Notes are an Integral part of the Financial Statements

NEW HAVEN HOUSING COMMISSION
Statement of Cash Flows
For the Year Ended March 31, 2006

Business Type Activities

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 111,813
Payments to Suppliers	(293,746)
Payments to Employees	(131,448)
HUD Grants	330,351
Other Receipts (Payments)	<u>12,664</u>
Net Cash Provided (Used) by Operating Activities	\$ 29,634

CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES

Purchases of Capital Assets (net of roll forward error)	<u>(95,856)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (66,222)
Cash Balance- Beginning of Year	<u>289,456</u>
Cash Balance- End of Year	\$ <u>223,234</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Net Profit or (Loss)	\$ (129,264)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	152,734
Changes in Assets (Increase) Decrease:	
Receivables (Gross)	20,307
Prepaid Expenses	576
Changes in Liabilities Increase (Decrease):	
Accounts Payable	(5,053)
Accrued Liabilities	(6,815)
Accounts Payable-Other Governments	(1,525)
Security Deposits	862
Deferred Revenue	<u>(2,188)</u>
Net Cash Provided by Operating Activities	\$ <u>29,634</u>

The Accompanying Notes are an Integral part of the Financial Statements

NEW HAVEN HOUSING COMMISSION
Notes to Financial Statements
March 31, 2006

NOTE 1: Summary of Significant Accounting Policies

Reporting Entity-

New Haven Housing Commission, New Haven, Michigan, (Commission) was created by ordinance of the city of New Haven. The Commission signed and Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD). The ACC requires the Commission to provide safe, sanitary and decent housing for qualifying senior and low income families.

The Commission consists of the following as of March 31, 2006:

MI 180	Low rent program	88 units
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In determining the reporting entity, the manifestations of oversight, as defined by the Governmental Accounting Standards Board (GASB), Cod. sec 2100, were considered. The criteria include the following:

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is legally separate entity for which the primary government is financially accountable. The criterion of financial accountability are the ability of the primary government to impose its will upon the potential component unit. Based on the above criteria, there are no component units.

These criteria were considered in determining the reporting entity.

Basis of Presentation-

The accounts of the Commission are organized by the Catalog of Federal Domestic Awards (CFDA) numbers, in the Financial Data Schedule; each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenditures, or expenses, as appropriate. Commission resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Notes to Financial Statements- continued

Proprietary Funds

Enterprise Funds- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purposes.

Basis of Accounting-

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Proprietary Funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Prior to October 1, 1998, the Commission followed a basis of accounting consistent with the cognizant agency, the U. S. Department of Housing and Urban Development, HUD. Those practices differed from Generally Accepted Accounting Principals (GAAP); however, for all fiscal years beginning on or after October 1, 1998, HUD has required adherence to GAAP. Therefore, the current and future financial presentations will follow GAAP and the Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989, provided they do not conflict with Governmental Accounting Standards Board (GASB) pronouncements.

Budgetary data-

Formal budgetary integration is employed as a management control device during the year in proprietary type funds. Budgets for funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) for that fund type. The Commission adopts a budget annually, and amends the budgets as it feels necessary in order to maintain financial integrity.

Assets, Liabilities, and Net Assets-

Deposits & Investments

Deposits are stated at cost; the carrying amount of deposits is separately displayed on the balance sheet as cash and cash equivalents; investments are stated at cost which approximates market.

Notes to Financial Statements- continued

Cash Equivalents

Cash Equivalents represent investments purchased with a three month maturity or less; investments meeting this criteria are reclassified for financial statement purposes as cash.

Due to/From Other Funds

During the course of operations, numerous transactions occur between individual funds for goods or services; these receivables and payables are classified as "due from" or "due to" other funds on the Balance Sheet.

Fixed Assets

The accounting and reporting treatment applied to the fixed assets are determined by its measurement focus. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is reported as Invested in Capital Assets, Net of Related Debt.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations; depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Buildings and Improvements	27.5 years
Equipment	3-10 years

Note 2: Cash.

The composition of cash and investments are as follows:

Cash:

General Fund Checking Accounts	\$ 49,117
Petty Cash	500
Money Market Accounts	<u>173,617</u>
Financial Statement Total	\$ <u>223,234</u>

Notes to Financial Statements- continued

Generally the Commission classifies cash and investments with the following risk assumptions:

- 1) Insured or registered in the Commission's name.
- 2) Uninsured or unregistered, held by a broker in the Commission's name.
- 3) Uninsured or unregistered, held by a broker not in the Commission's name.

	<u>Categories</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Cash:					
Checking A/C's	\$ 49,117	\$	\$	\$ 49,117	\$ 49,117
Petty Cash	500			500	500
Money Market	<u>173,617</u>			<u>173,617</u>	<u>173,617</u>
Total Cash	\$ <u>223,234</u>	\$	\$	\$ <u>223,234</u>	\$ <u>223,234</u>

Note 3: Fixed Asset Analysis.

The following represents the changes in fixed assets for the year:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
Land	\$ 112,710	\$	\$	\$ 112,710
Buildings	4,159,324	31,595		4,190,919
Furniture & Equipment-Dwellings	206,323			206,323
Furniture & Equipment-Admin	74,468	10,232		84,700
Construction in Progress	<u>0</u>	<u>27,075</u>		<u>27,075</u>
	\$ 4,552,825	\$ 68,902	\$	\$ 4,612,727
Less Accumulated Depreciation	<u>1,940,637</u>	<u>152,725</u>		<u>2,093,362</u>
	\$ <u>2,612,188</u>	\$ <u>(83,823)</u>	\$	\$ <u>2,528,365</u>

Note 4: Accrued Liabilities

The accrued liabilities consist of the following:

Accrued Utilities payable	\$ <u>11,725</u>
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Note 5: Deferred Revenue

Deferred Revenue consists of the following:

Prepaid Tenant Rents	\$ 667
Prepaid Comcast Income	<u>11,870</u>
	\$ <u>12,537</u>

Notes to Financial Statements- continued

Comcast, Inc., entered into an exclusive rights agreement with the Commission whereas the units will be restricted to Comcast cable service for an advance of \$ 175/per unit. The agreement covers a twelve year period and will be amortized over the length of the contract.

Note 6: Reclassifications.

Certain prior years' balances have been reclassified to conform to the current year's presentation.

Note 7: Combining Financial Data Schedules.

The totals in the combining Balance Sheet and Combining Income Statement represent unconsolidated totals. Under principals of consolidation, inter fund transactions would be eliminated; the totals in the combined statements follow the financial data schedule format recommended by the U.S. Department of Housing and Urban Development's Real Estate Assessment Center (REAC).

Note 8: Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, error and omissions and employee injuries. The Commission purchases commercial insurance to cover the risks of these losses. The Commission had the following insurance in effect during the year:

<u>Types of Policies</u>	<u>Coverage's</u>
Property	\$ 7,663,250
General Liability	1,000,000
Dishonesty Bond	1,000,000
Worker's Compensation and other riders: minimum coverage's required by the State of Michigan	

New Haven Housing Commission

31-Mar-06

MI180

Combining Statement of Net Assets		Low Rent 14.850	Capital Projects Funds 14.872	TOTAL
Line Item #				
	ASSETS:			
	CURRENT ASSETS:			
	Cash:			
111	Cash - unrestricted	223,234	-	223,234
112	Cash - restricted - modernization and development	-		-
113	Cash - other restricted			-
114	Cash - tenant security deposits	-		-
100	Total cash	223,234	-	223,234
	Accounts and notes receivables:			
121	Accounts receivable - PHA projects			-
122	Accounts receivable - HUD other projects	-		-
124	Accounts receivable - other government			-
125	Accounts receivable - miscellaneous			-
126	Accounts receivable- tenants - dwelling rents	1,461		1,461
126.1	Allowance for doubtful accounts - dwelling rents	(1,000)		(1,000)
126.2	Allowance for doubtful accounts - other			-
127	Notes and mortgages receivable- current			-
128	Fraud recovery			-
128.1	Allowance for doubtful accounts - fraud			-
129	Accrued interest receivable			-
120	Total receivables, net of allowances for doubtful accounts	461	-	461
	Current investments			-
131	Investments - unrestricted	-		-
132	Investments - restricted			-
142	Prepaid expenses and other assets	12,524		12,524
143	Inventories	-		-
143.1	Allowance for obsolete inventories			-
144	Interprogram - due from	-	-	-
146	Amounts to be provided			-
150	TOTAL CURRENT ASSETS	236,219	-	236,219
	NONCURRENT ASSETS:			
	Fixed assets:			
161	Land	112,710		112,710
162	Buildings	4,190,919		4,190,919
163	Furniture, equipment & machinery - dwellings	-		-
164	Furniture, equipment & machinery - administration	206,323	-	206,323
165	Leasehold improvements	84,700	27,075	111,775
166	Accumulated depreciation	(2,093,362)	-	(2,093,362)
160	Total fixed assets, net of accumulated depreciation	2,501,290	27,075	2,528,365
171	Notes and mortgages receivable - non-current			-
172	Notes and mortgages receivable-non-current-past due			-
174	Other assets			-
175	Undistributed debits			-
176	Investment in joint ventures			-
180	TOTAL NONCURRENT ASSETS	2,501,290	27,075	2,528,365
190	TOTAL ASSETS	2,737,509	27,075	2,764,584

	LIABILITIES AND EQUITY			
	LIABILITIES:			
	CURRENT LIABILITIES			
311	Bank overdraft			-
312	Accounts payable ≤ 90 days	5,935		5,935
313	Accounts payable > 90 days past due			-
321	Accrued wage/payroll taxes payable	7,386		7,386
322	Accrued compensated absences	-		-
324	Accrued contingency liability			-
325	Accrued interest payable			-
331	Accounts payable - HUD PHA programs			-
332	Accounts Payable - PHA Projects			
333	Accounts payable - other government	4,425	-	4,425
341	Tenant security deposits	15,310		15,310
342	Deferred revenues	10,358		10,358
343	Current portion of Long-Term debt - capital projects			-
344	Current portion of Long-Term debt - operating borrowings			-
345	Other current liabilities	11,725		11,725
346	Accrued liabilities - other	-		-
347	Inter-program - due to	-	-	-
310	TOTAL CURRENT LIABILITIES	55,139	-	55,139
	NONCURRENT LIABILITIES			
351	Long-term debt, net of current- capital projects			-
352	Long-term debt, net of current- operating borrowings			-
353	Noncurrent liabilities- other			-
350	TOTAL NONCURRENT LIABILITIES	-	-	-
300	TOTAL LIABILITIES	55,139	-	55,139
	EQUITY:			
501	Investment in general fixed assets			-
	Contributed Capital:			
502	Project notes (HUD)			-
503	Long-term debt - HUD guaranteed	-		-
504	Net HUD PHA contributions	-		-
505	Other HUD contributions			-
508.01	Net Assets invested in Capital Assets	2,501,290	27,075	2,528,365
508	Total contributed capital	2,501,290	27,075	2,528,365
	Reserved fund balance:			
509	Reserved for operating activities			-
510	Reserved for capital activities			-
511	Total reserved fund balance	-	-	-
512	Undesignated fund balance/retained earnings	181,080	-	181,080
513	TOTAL EQUITY	2,682,370	27,075	2,709,445
600	TOTAL LIABILITIES AND EQUITY	2,737,509	27,075	2,764,584

- - -

New Haven Housing Commission

31-Mar-06

MI180

Combining Statement of Revenues, Expenses		Low Rent 14.850	Capital Projects Funds 14.872	TOTAL
Line Item #			-	
	REVENUE:	-		
703	Net tenant rental revenue	105,028		105,028
704	Tenant revenue - other	-		-
705	Total tenant revenue	105,028	-	105,028
706	HUD PHA grants	238,480	91,871	330,351
708	Other government grants			-
711	Investment income - unrestricted	4,287	-	4,287
712	Mortgage interest income			-
714	Fraud recovery			-
715	Other revenue	8,377	-	8,377
716	Gain or loss on the sale of fixed assets			-
720	Investment income - restricted			-
700	TOTAL REVENUE	356,172	91,871	448,043
	EXPENSES:			
	Administrative			
911	Administrative salaries	45,579		45,579
912	Auditing fees	2,800		2,800
913	Outside management fees	29,568		29,568
914	Compensated absences	-		-
915	Employee benefit contributions- administrative	11,204		11,204
916	Other operating- administrative	34,133	-	34,133
	Tenant services			
921	Tenant services - salaries	-		-
922	Relocation costs	-		-
923	Employee benefit contributions- tenant services	-		-
924	Tenant services - other	4,385		4,385
	Utilities			
931	Water	40,869		40,869
932	Electricity	8,253		8,253
933	Gas	5,786		5,786
934	Fuel			-
935	Labor			-
937	Employee benefit contributions- utilities			-
938	Other utilities expense	-		-
	Ordinary maintenance & operation			
941	Ordinary maintenance and operations - labor	85,869		85,869
942	Ordinary maintenance and operations - materials & other	7,197		7,197
943	Ordinary maintenance and operations - contract costs	108,136		108,136
945	Employee benefit contributions- ordinary maintenance	20,913		20,913
	Protective services			
951	Protective services - labor			-

NEW HAVEN HOUSING COMMISSION
Status of Prior Audit Findings
March 31, 2006

The prior audit of the New Haven Housing Commission for the period ended March 31, 2005 contained three audit findings; the corrective action taken by the Commission is as follows:

- 5-1 Excessive Tenant Accounts Receivable- Accounts receivable average less than \$ 17 per unit; this is an acceptable level.
- 5-2 Excessive Vacancies- Last year the Commission had 11 vacancies; this year only one- the Commission has made progress eliminating vacancies.
- 5-3 Tenant Accounting Discrepancies- A review of the files did not reveal any discrepancies.

NEW HAVEN HOUSING COMMISSION
Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial
Statements Performed in Accordance with
Government Auditing Standards
March 31, 2006

I have audited the financial statements of New Haven. Housing Commission, New Haven, Michigan, as of and for the year ended September 30, 2005, and have issued my report thereon dated September 15, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether New Haven. Housing Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered New Haven. Housing Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Certified Public Accountant

September 15, 2006

NEW HAVEN HOUSING COMMISSION
Schedule of Findings and Questioned Cost
March 31, 2006

Summary of Auditor's Results:

Programs:

	<u>Major Program</u>	<u>Non Major Program</u>
Low income Public Housing		X
Capital Projects Funds		X

Opinions:

General Purpose Financial Statements-

Unqualified

Material weakness(es) noted _____ Yes X No

Reportable condition(s) noted _____ Yes X No

Non Compliance material to financial statements noted _____ Yes X No

Report on compliance for Federal programs-

Unqualified

Material weakness(es) noted _____ Yes X No

Reportable condition(s) noted _____ Yes X No

Non Compliance material to financial statements noted _____ Yes X No

Thresholds:

Dollar limit used to determine type A & B programs- \$ 300,000

<u>Name of Federal Program</u>	<u>Major Program</u>	<u>Questioned Costs</u>	<u>Audit Finding Number</u>
Public and Indian Housing	Yes	None	N/A
Capital Projects Funds	Yes	None	N/A